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PUBLIC VERSION

January 15, 2002

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative ("USTR")
600 17th Street, NW
Washington DC 20508

Re: **§201/203 Safeguards, Certain Steel Products**

Dear Ms. Blue:

Toyota Tsusho America, Inc. submits the attached in response to comments of U.S. producers. It indicates the non-injurious nature of certain hot rolled steel alloy bar in coil, cold rolled stainless steel bar, cold rolled high carbon steel and Galfan, and thus 201 import restrictions should not be imposed on such product and indeed they should be excluded from any 201 remedy.

We appreciate the TPSC's attention to this matter.

Very truly yours,

Peter Koenig
Counsel to Toyota Tsusho America, Inc.

PUBLIC VERSION

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January 4, 2002

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative ("USTR")
600 17th Street, NW
Washington DC 20508

Re: **§201/203 Safeguards, Certain Steel Products; Exclusion Requests**

Dear Ms. Blue:

Enclosed, please find exclusion requests by Toyota Tsusho America, Inc. for the following products:

1.) Specification: SCM415
Description: Hot Rolled Steel Alloy Bar in Coil
Country of Origin: Japan
Size: 34mm
HTSUS: 7227.90.6058
Average Usage per month: 50,000kg
End Use: Barrel Clutch for Automotive Starter
Chemical Composition: (See attached file: SCM415 34mm mill cert.jpg)
Statement: Our Customer, Denso Manufacturing, has completed investigations in the past for buying this product domestically. Denso found that the domestic product did not pass its quality standards and thus they have kept procuring this item from the manufacturer in Japan.

Some of the problems Denso found with the domestic material were;

-Seams on the surface: out of spec for Denso's standard
-Decarburization: out of spec for Denso's standard
-Scratches and non-metallic inclusions were found
-Chemically the test material was ok but the quality did not meet the

specifications that Denso requires for their use.
-The reasons that Denso stated for not buying domestic were more for rolling and surface quality than the chemistry.
-There is a possibility that one mill we found could make this material in the U.S., but we would have to commit to take a much larger amount per quarter than Denso uses.

2.) Specification: SCR415
Country of Origin: Japan
Size: 22mm and 32mm diameter
HTSUS: 7227.90.6058
Average Usage per month: 20,000kg total between the two sizes
Description: Hot Rolled Steel Alloy Bar in Coil
End Use: Starter Pinion
Chemical Composition: (See attached file: SCR415 22mm mill cert.jpg)(See attached file: SCR415 32mm mill cert.jpg)
Statement: Our Customer, Denso Manufacturing, has completed investigations in the past for buying this material from domestic mills. Denso found that the quality of the material that did not pass their quality standards; thus they have kept procuring this item from the manufacturer in Japan.

The problems Denso found in the domestic product were:

-Seams on the surface: out of spec for Denso's standard
-Decarburization: out of spec for Denso's standard
-Scratches and non-metallic inclusions were found.
-Chemically the test material was ok but the quality did not meet the specifications that Denso requires for their use.
-The reasons Denso stated for not buying domestic were more for rolling and surface quality than the chemistry.
-There is a possibility that one mill we found could make this material in the U.S., but we would have to commit to take a much larger amount per quarter than Denso uses. This would increase our price higher than necessary.

3.) Specification: DSUS13A
Country of Origin: Japan
Size: 13.5mm diameter
HTSUS: 7222.20.0045
Average Usage per month: 20,000kg
Description: Cold Rolled Stainless Steel Bar
End Use: Holder Bar for Fuel Injector
Chemical Composition: (See attached file: DSUS13A Bar mill cert. jpg)
Statement: Our Customer, Denso Manufacturing TN, has investigated local sourcing for this material. The main problem that they found is that there is a higher lead content in this material produced in the United States. We are already paying a 61.47% anti-

dumping duty for this material. If the cost is any higher, then it would possibly be cost prohibitive for Denso to produce this fuel injector in the U.S.

4. Cold Rolled High Carbon Steel produced to SAE 1045, Spheriodized Annealed with Rockwell B Hardness of 80 Max. Produced with extra steel clean practice for the manufacture of steel toe caps used in safety shoes which meet the impact test requirements specified in DIN EN 12568.

This request is by Feroleto Steel, Bridgeport, Ct., a subsidiary. Over the past few years Feroleto has been securing this material abroad from Franco Steel. Domestic product does not meet DIN impact requirements with the consistency of the Franco material.

5. Attached please find a final exclusion request for Galfan previously submitted to the ITC.

Proprietary treatment is requested for bracketed -- "[ ]" -- information. Proprietary treatment is requested for the chemical compositions of the product involved.

Very truly yours,

Peter Koenig
Counsel to Toyota Tsusho America, Inc.

MILLER & CHEVALIER
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PUBLIC VERSION

PUBLIC DOCUMENT

October 17, 2001

The Honorable Donna R. Koehnke
Secretary
U.S. International Trade Commission
500 E Street, SW
Washington DC 20436

RE: Steel §201 Safeguards Investigation, TA-201-73

Dear Ms. Koehnke:

Enclosed please find an exclusion request for Galfan. Weirton Steel Company is the only U.S. producer. But Weirton only produces it two or three times a year. It is thus difficult to obtain at other times.

While the attached form lists a company contact, feel free to contact the undersigned. We appreciate your attention to this matter. .

Very truly yours,

Peter Koenig
Counsel to Toyota Tsusho America, Inc.

PUBLIC VERSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

PUBLIC VERSION

STEEL, Inv. No. TA-201-73

EXCLUSION REQUEST DATA SHEET

If you are interested in requesting that specific products be excluded from this investigation, please supply the following information to the Commission by no later than Wednesday, October 17, 2001. Complete a separate exclusion request form for every product you are requesting an exclusion for. You may fax the completed form to the attention of D.J. Na at 202-205-3205.

Firm: Toyota Tsusho America, Inc.	Fax #: 212 418 0175; Tel: 212 418 0132
Contact person: Willie Weiner	Email address: willy_wiener@taiamerica.com

Have you submitted an exclusion request in a previous letter? No

HTS number(s) covering the product requested for exclusion:

7210.49 0990. See attached descriptive literature.

Detailed description of product requested for exclusion (please do not only refer to the model number):

Galfan, a 95% zinc- 5% aluminum-mischmetal alloy hot dip coated steel product.

This product falls within a general backet product category, so imports not known. But imports under the general tariff category 7210.49.0990 are reported.

Quantity (in kilograms) of U.S. imports of product requested for exclusion:

Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada	199,974	235,417	246,469	213,017	218,640	59,034	44,430
Mexico	208,418	258,198	235,974	248,854	132,191	46,675	23,928
All others	487,779	368,378	392,772	611,934	479,965	150,508	123,386
Total	896,171	861,993	875,215	1,073,895	830,796	256,217	191,744

Value (landed, duty-paid in 1,000 U.S. dollars) of U.S. imports of product requested for exclusion:

Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Canada	100,888	114,970	116,702	99,233	100,445	26,862	18,652
Mexico	122,972	148,032	138,323	122,794	69,074	23,852	11,773
All others	268,115	201,289	210,179	247,711	226,857	67,121	52,332
Total	491,975	464,291	465,204	496,738	369,376	117,835	82,757

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Estimated quantity (in short tons) of U.S. producers' U.S. commercial shipments (not including internal consumption or exports) of product requested for exclusion (please indicate basis for estimates):

Source	1996	1997	1998	1999	2000	Jan.-June 2000	Jan.-June 2001
Total							

U.S. producer information not known to us.

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How does Galfan compare?

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5 = Best
1 = Worst

	Hot Dip Galvanized	Electrogalvanized	Galvanneal	Galvalume	Aluminized	Zincrometal
Formability	3	5	3	3	2	5
Corrosion Resistance (bare)	3	3	2	5	5	2
Sacrificial Protection	5	5	5	3	1	2
Corrosion Resistance (formed)	3	3	3	3	2	2
Paint Adhesion	4	5	5	4	2	5
Corrosion Resistance (painted)	4	4	5	3	3	2
Weldability	4	5	5	2	1	2
Heat Resistance/Reflectivity	3	3	2	4	5	1
Relative Cost	4	2	4	3	3	5

Galfan® is a new generation coating for steel that both improves product performance and significantly expands manufacturing capabilities.

Containing 95% zinc and 5% aluminum/mischmetal, Galfan provides a unique combination of coating benefits including:

• Maximum Formability •
• Increased Corrosion Protection •
• Full Sacrificial Protection •
• Improved Paintability •
• Good Weldability •
• Broad Versatility •
• Excellent Surface Smoothness •

Is Galfan the coating for your application? The table above will help you make a decision. It charts how Galfan stacks up to other coated steels commonly available.

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The coated products are rated on a relative basis, considering normal performance levels in each category. Product and performance characteristics are defined on the other side of this sheet.

Where has Galfan proved successful? The list includes a variety of applications in such industries as:

• Construction •
• Pre-Engineered Metal Buildings •
• Fencing •
• Agriculture •
• Automotive •
• Appliance •
• Industrial Equipment •

The comparison above is intended to provide general guidance to users for applications in a broad range of industries. Specific properties of a particular material should be determined by contact with the supplier of that coated steel product. All of the products are rated as normally supplied and used.

Coated Steel Products Defined

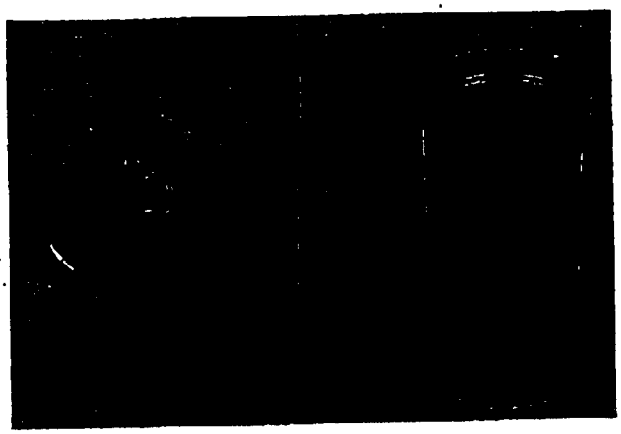
Galfan — A 95% zinc-5% aluminum-mischmetal alloy hot dip coated steel product. Available in a full range of coating weights from GF01 to GF235 (700 g/m^2) per ASTM A875.

Hot Dip Galvanized — Standard hot dip zinc coated steel product. Available in a full range of coating weights from G01 to G235 (700 g/m^2) per ASTM A525. Produced with regular spangle, minimized spangle and extra smooth surface finish. Differentially and one side coated product is available.

Electrogalvanized — An electrolytic zinc coated steel product. Available in coating weights up to a practical maximum of G60 (180 g/m^2). Differentially and one side coated product is available, as is zinc-iron electrogalvanized.

Galvanneal — A zinc-iron alloy hot dip coated steel product. Produced by heat treating or wiping the surface of hot dip galvanized sheet. Available in coating weights from A01 to A60 (180 g/m^2) per ASTM A525 and as a differentially coated product.

Galvalume — A 55% aluminum-1.5% silicon-43.5% zinc hot dip coated steel product. Available in coating weights from AZ50 (150 g/m^2) to AZ60 (180 g/m^2) per ASTM A792.



Housing for car door lock motor demonstrates Galfan's unique combination of superior formability and improved corrosion resistance.

Aluminized — A hot dip aluminum coated product. Available as Types 1 and 2 in different coating weights per ASTM A463.

Zincrometal — A two-layer coil coated product. It consists of a base coat, containing primarily chromium and zinc, topped with a weldable zinc-rich primer.

Performance Characteristics of Coated Steel Products

Formability — Measure of the ability of the coating to survive fabrication operations such as bending, roll forming, stamping and deep drawing without cracking, flaking or failure of the coating.

Corrosion Resistance (bare) — Measure of the time the coating can protect the underlying steel and resist red rust corrosion in normally encountered environments. The length of corrosion protection given by zinc coatings depends directly on coating thickness.

Sacrificial Protection — Ability of the coating to provide galvanic or sacrificial protection to bare steel exposed at cut edges, fastener locations, scratches, etc in normally encountered environments. Aluminized and Galvalume coatings provide good extended sacrificial protection only in salt environments when the aluminum becomes sacrificially active.

Formed Product Corrosion Resistance — Ability of fabricated products containing sharp bends and deep drawn sections to resist corrosion.

Paint Adhesion — Ability of the coating to be painted using a wide variety of pretreatment, primer and top coat systems and to maintain good adhesion during product fabrication and use.

Painted Product Corrosion Resistance — Ability of the commercial coil coated product to protect the base steel from red rust including blistering, edge creep corrosion and red rust staining.

Weldability — Ability of the coated steel to be spot welded on a continuing basis with good welding electrode life.

Reflectivity/Heat Resistance — Measure of relative brightness and heat oxidation resistance upon exposure to elevated temperatures.

Cost — Relative production cost of material per ton.

In-depth test results, technical data, application information and case histories are readily available on Weirkote Plus® — our Galfan product. Call or write: Andy Celestin, Marketing Manager, Weirton Steel Corp., 400 Three Springs Drive, Weirton, WV 26062, 800-223-9777.

Designation: A 875/A 875M – 88

AMERICAN SOCIETY FOR TESTING AND MATERIALS
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If not listed in the current combined index, will appear in the next edition.

Standard Specification for Steel Sheet, Zinc-5 % Aluminum Alloy Metallic-Coated by the Hot-Dip Process[1]

This standard is issued under the fixed designation A 875/A 875M; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ε) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 This specification covers steel sheet, in coils and cut lengths, metallic-coated by the hot-dip process, with zinc-5 % aluminum alloy coating. The Zn-5Al alloy coating also contains small amounts of elements, other than zinc and aluminum, that are intended to improve processing and the characteristics of the coated product.

1.2 The material is produced in two types, as follows:

1.2.1 *Type I*—zinc-5 % aluminum-mischmetal alloy coating, and

1.2.2 *Type II*—zinc-5 % aluminum-0.1 % magnesium alloy coating.

1.3 The material is intended for applications requiring corrosion resistance, formability, and paintability. There may be differences in product characteristics between Type I and Type II coated steel sheet, depending on the intended application.

1.4 The material is produced in various Zn-5Al alloy-coating weights, or coating designations, designed to produce coatings compatible with the service life required (see 4.3 and Table 1).

1.5 The material is produced in several qualities, designed to be compatible with differing application requirements (see 4.2).

1.6 The material is produced with two coating structures, or classes (see 4.4).

1.7 This specification is applicable to orders in either inch-pound units (as A 875) or metric (SI) units [as A 875M]. The values stated in either inch-pound or SI units are to be regarded separately as standard. Within the text, the SI units are shown in brackets. The values stated in each system are not exact equivalents. Therefore, each system shall be used independently of the other. Combining values from the two systems may result in nonconformance with this specification.

1.8 Unless the order specifies the "M" specification designation (SI units), the material shall be furnished to inch-pound units.

2. Referenced Documents

2.1 *ASTM Standards:*

A 90 Test Method for Weight of Coating on Zinc-Coated (Galvanized) Iron or Steel Articles[2]

A 370 Methods and Definitions for Mechanical Testing of Steel Products[3]

A 700 Practices for Packaging, Marking, and Loading Methods for Steel Products for Domestic Shipment[4]

A 751 Methods, Practices, and Definitions for Chemical Analysis of Steel Products[5]

A 754 Test Method for Coating Thickness by X-Ray Fluorescence[2]

B 750 Specification for Zinc-5 % Aluminum-Mischmetal Alloy (UNS Z38510) in Ingot Form for Hot-Dip Coatings[5]

D 2092 Practices for Preparation of Zinc-Coated Galvanized Steel Surfaces for Paint[6]

E 27 Method for Spectrographic Analysis of Zinc and Zinc Alloys by the Solution-Residue Technique[7]

E 29 Practice for Indicating Which Places of Figures Are to be Considered Significant in Specified Limiting Values[8]

E 47 Method for Chemical Analysis of Zinc Die-Casting Alloys[9]

E 376 Practice for Measuring Coating Thickness by Magnetic-Field or Eddy-Current (Electromagnetic) Test Methods[10]

2.2 *U.S. Military Standards:*

MIL-STD-129 Marking for Shipment and Storage[11]

MIL-STD-163 Steel Mill Products, Preparation for Shipment and Storage[11]

2.3 *U.S. Federal Standard:*

Fed. Std. No. 123 Marking for Shipments (Civil Agencies)[11]

2.4 *American National Standard:*

ANSI/ASME B32.3M Preferred Metric Sizes for Flat Metal Products[12]

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[1] This specification is under the jurisdiction of ASTM Committee A-5 on Metallic Coated Iron and Steel Products and is the direct responsibility of Subcommittee A05.11 on Sheet Specifications.

Current edition approved Feb. 26, 1988. Published July 1988. Originally published as A 875/A 875M – 87. Last previous edition A 875/A 875M – 87.

[2] *Annual Book of ASTM Standards*, Vol 01.06.
[3] *Annual Book of ASTM Standards*, Vol 01.03.
[4] *Annual Book of ASTM Standards*, Vol 01.05.
[5] *Annual Book of ASTM Standards*, Vol 02.04.
[6] *Annual Book of ASTM Standards*, Vol 06.01.
[7] Discontinued; see *1986 Annual Book of ASTM Standards*, Vol 03.06.
[8] *Annual Book of ASTM Standards*, Vol 14.02.
[9] *Annual Book of ASTM Standards*, Vol 03.05.
[10] *Annual Book of ASTM Standards*, Vol 03.03.
[11] Available from Naval Publications and Forms Center, 5801 Tabor Ave., Philadelphia, PA 19120.
[12] Available from American National Standards Institute, 1470 Broadway, New York, NY 10018.